

Chinese logging ban to boost demand for foreign timber

Competition for logs is strong with domestic sawmills

By Mateusz Perkowski
EO Media Group

A logging ban in China's natural forests will likely increase its demand for foreign logs, but the impact on the Northwest's timber market is uncertain.

Though the country will need to import more logs, it's unclear how motivated Chinese buyers will be to compete with domestic sawmills, which are currently offering high prices, experts say.

"To expand the market, they're going to have to go head-to-head with the mills," said Gordon Culbertson, in-

ternational business director at the Forest2Market consulting firm.

According to USDA, a prohibition against commercial timber harvests in natural forests — as opposed to plantations — was enacted by China's government to counter decades of over-cutting, contributing to a 5 percent drop in its log production in 2017.

Since 2013, China's log production has fallen from more than 80 million cubic meters to less than 60 million cubic meters, and the logging ban in natural forests is expected to cause shortages for another three to five years, according to the agency's Foreign Agricultural Service.

"There's definitely increased demand from China. Whether U.S. suppliers want to fill that demand depends on their alternatives," said Kent



EO Media Group file photo

A front-end loader hauls logs to the edge of the Port of Astoria's Pier 1 Nov. 2, 2010, in this file photo. A ban on commercial logging of natural forests in China is expected to increase its demand for foreign logs.

Wheiler, director of the Center for International Trade in Forest Products at the University of Washington.

Ever since excessive logging in the headwaters of the Yellow and Yangtze rivers was blamed for massive flooding during the 1990s, China's

government has moderated its harvest levels, Wheeler said.

The natural forest logging ban is the latest example of China's growing concern about the environment, which the government has been working to improve to avoid upsetting the country's popu-

lace, he said.

"They need to do what they're doing," Wheeler said. "They had significantly over-harvested."

New Zealand controls the largest share of China's market for imported logs at 36 percent, followed by Russia with 24 percent and the U.S. with 13 percent, he said.

Culbertson of Forest2Market said the strong U.S. dollar and healthy domestic timber market may prompt Chinese buyers to seek logs from Australia and New Zealand.

In the U.S., the log market has greatly improved as demand for lumber has strengthened.

The price per thousand board feet of framing lumber now averages about \$440, up from less than \$200 during the depths of the financial crisis in 2009, according to the Random Lengths timber industry

information service.

"There's a lot of domestic competition for logs," Culbertson said.

Even so, China's demand for logs helps establish a price floor for U.S. timber producers, since the country provides an export outlet even if the domestic market softens, said Paul Owen, president of Vanport International, which specializes in log exports.

"It will keep prices, particularly in the Pacific Northwest, strong," he said.

The Northwest has an advantage in the species it provides to China: Hemlock and Douglas fir that are often used for concrete formwork in the construction trade, Owen said.

New Zealand, by contrast, ships radiata pine and New Zealand pine, which are often milled for furniture, he said. "It's a different market."

Second senator formally complains against Kruse

By Paris Achen
Capital Bureau

A second senator has filed a public complaint against Sen. Jeff Kruse detailing accusations of unwanted touching over a period of years.

Sen. Elizabeth Steiner Hayward, D-Beaverton, filed the formal complaint against the Roseburg Republican Nov. 14, according to the document released by Oregon Legislative Counsel Tuesday.

"My goal is simply to get him to stop touching me inappropriately, which he has persisted in doing despite my ongoing statements to him that I do not want him to touch me in any way other than a professional handshake," Steiner Hayward wrote.

The Beaverton senator said Kruse's inappropriate behavior escalated in 2015. Kruse began giving Steiner Hayward close hugs, touching her thigh and sitting so close to her that their legs made contact.

"I told him on several occasions that I was uncomfortable with this level of physical contact, that it was unprofessional, and that as a survivor of domestic violence those behaviors were particularly problematic for me," she wrote. "Additionally, I told him that I have asthma, and that the significant residual tobacco smoke on his clothing irritated my breathing when he sat too close to me."

Details from Steiner Hayward, first reported earlier Nov. 21 by OPB, follow news earlier this month of a public complaint filed by Sen. Sara Gelser, D-Corvallis.

Steiner Hayward, through her chief of staff, referred all questions to Legislative



Portland Tribune/Jaime Valdez

Sen. Elizabeth Steiner Hayward, D-Beaverton, walks with other senators to the inauguration ceremony of Gov. Kate Brown in the House of Representatives at the Oregon Capitol in Salem Jan. 9, 2017. On Nov. 14 she filed a formal complaint Tuesday against Sen. Jeff Kruse for unwanted touching.

Counsel.

In her grievance, Gelser accused Kruse of touching her breasts and thigh, giving her full body hugs, wrapping his arms around her tightly, kissing her cheek and whispering in her ear. She called for Kruse to be expelled from the Senate.

Previous informal complaints by the two female senators prompted a legislative lawyer and human resource administrator to warn Kruse to stop the unwanted touching. Requests to stop the behavior went unheeded, according to the formal complaints by Gelser and Steiner Hayward.

By early 2016, several women at the Capitol had complained about Kruse's unwanted touches and lodged informal complaints (which are not public) to Senate President Peter Courtney, D-Salem.

Kruse behaved in a more

"circumspect" manner for nearly a year, Steiner Hayward wrote.

In March, the unwanted touching resumed, she reported.

"I would remind him that I did not want him to touch me in those ways, and he would back off for a week or two, and then the cycle would begin again," she stated.

She and her chief of staff, Lizzy Atwood Wills, devised a plan to prevent the unwanted behavior by making sure a staff member accompanied the senator during any meetings with Kruse and always left the door to the room ajar.

"I have never felt the need to take such precautions with any other man, either in my medical career or in the Legislature," Steiner Hayward wrote.

Kruse did not respond to a request for comment Tuesday afternoon. Despite mounting calls for him to resign, Kruse

told the Pamplin/EO Capital Bureau Nov. 17 that he had no plans to leave his seat in the Senate.

A formal investigation into the allegations is underway. Senate President Peter Courtney has stripped Kruse of his legislative committee assignments and ordered that his senate office door be removed as discipline for smoking in the Capitol and the repeated allegations of unwanted touching.

On Nov. 20, Kruse was looking ahead to the next legislative session in early 2018 during a presentation for the Roseburg Area Chamber of Commerce, according to KQEN News Radio 1240.

The senator acknowledged the accusations against him and referenced an Andy Warhol quote about everyone having 15 minutes of fame, the radio station reported.

"I have exceeded mine," Kruse was quoted as saying.

OSP: Surge of wolf killings isn't organized effort

By Eric Mortenson
EO Media Group

It's been a bloody year for Oregon wolves, with at least 10 killed under circumstances ranging from authorized "lethal control" due to livestock attacks and a shooting ruled self-defense, to an unintended poisoning and unsolved poachings.

At this point, Oregon State Police have no reason to think there is a concerted action by an individual or group to illegally

kill the state's wolves.

However, the investigation into the most recent killing, a collared wolf designated OR-23, is still active, OSP spokesman Sgt. Kaipo Raiser said.

Steve Pedery, conservation director for the Portland-based group Oregon Wild, warned that a "shoot, shovel and shut up" attitude toward wolves has taken hold in rural Oregon and become part of the political fault line separating factions of Americans.

In Willowa County, he said,

it's not unusual to see "Smoke a pack a day" bumper stickers.

Doug Cottam, ODFW's Wildlife Division administrator, said the department is "upset and frustrated by the unlawful wolf killings in Oregon." Rewards are offered for information leading to arrests.

"Poaching of any wildlife is wrong and harmful to their conservation," he said in a prepared statement.

Police and ODFW believe the latest wolf was shot Nov. 12 or 13. It was found Nov.

14 in the Chesnimnus hunting area known as Cold Springs, in Northeast Oregon's Willowa County. Tracking collars on wolves are designed to emit a mortality signal if the animal does not move for a certain period of time, ODFW spokeswoman Michelle Dennehey said. She assumed that's what led to finding the wolf's carcass in this case.

State police found evidence OR-23 was killed by a gunshot, but released no other information.

Gov. Brown directs OHA to preserve kids' insurance program

By Claire Withycombe
Capital Bureau

Oregon Gov. Kate Brown on Monday directed the state's health agency to guarantee coverage for children and pregnant women covered by a federal program that's in limbo.

Oregon is one of three states that will run out of federal funding for the Children's Health Insurance Program, or CHIP, in December, according to OHA. Up to half of the states will be out of federal money by February.

Brown directed OHA to maintain coverage of groups covered by CHIP for the first four months of 2018. That would cost the state about \$35 million. About 121,000 kids and 1,700 pregnant women are covered by the program in Oregon.

CHIP generally enjoys broad political support, but Congress is now well past its Sept. 30 deadline to reauthorize funding for the program.

But Oregon officials expect Congress to reauthorize the funding and to pay the state back.

"While this additional cost was not in the Oregon Health Authority's legislatively approved budget, we can manage this on a short-term basis because it is early in the biennium," OHA Director Pat Allen wrote in a Nov. 17 letter to Brown. "We will spend more of our appropriated state funds earlier to make up for lost federal funds."

Allen added that if Congress does not reauthorize CHIP funding or doesn't fund it retroactively, the lost funding would "cause a hole in the OHA budget" that would have to be reconciled in 2018.

The CHIP program pays 97 percent of the total costs of health care for the 121,000 Oregon kids covered under the program. Those children can be covered by Medicaid, but will be covered at a re-



Gov. Kate Brown

duced match rate of 64 percent, which would cost the state more money, according to Allen's memo.

If CHIP expires, federal funds can still pay for emergency services for pregnant women, such as labor and delivery, according to Oregon's interim Medicaid director, David Simmitt. But the state would have to pay for other services for pregnant women covered by the program, such as prenatal check-ups.

The 121,000 kids covered by CHIP in Oregon live in homes where incomes are between 100 and 300 percent of the federal poverty level. Oregon must cover about a third of those kids — those earning between 100 and 138 percent of the poverty level — under the Affordable Care Act, according to OHA. CHIP covers children whose parents make too much to qualify for Medicaid but still may struggle to afford coverage. Kids in households making less than 100 percent of the federal poverty level are eligible for Medicaid.

Brown's directive comes as OHA struggles to get its books in order, shore up its eligibility and payment systems and bounce back from a pummeling of negative publicity.

The state overpaid Medicaid providers by up to \$74 million between 2014 and 2016, about \$10 million of which it has already recouped. Allen, who took the reins Sept. 1 in the wake of a publicity scandal, identified a host of other issues with payment and allocation of funds — to the tune of about \$112.4 million.



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